



protesting a proposed provision or protesting the absence of a needed provision. *See* Section III. below.

Important terms in MISO’s Filing are the following. An aggregator of distributed energy resources (“DERs”) is referred to as a Distributed Energy Resource Aggregator (“DERA”). The aggregation of DERs is referred to as the Distributed Energy Aggregated Resources (“DEAR”).

## II. IMPORTANT AREAS OF MISO’S FILING THAT ESL SUPPORTS

### A. MISO’s Requested Implementation Date Is Reasonable and Necessary to Ensure Reliability in MISO’s Region.

MISO states that to maintain reliability in its Region, it evaluated the unique needs of stakeholders and MISO’s market systems and software in developing its Order No. 2222 compliance filing.<sup>5</sup> MISO requests an October 1, 2029, effective date for the Filing,<sup>6</sup> with a DERA being able to participate in MISO’s Energy and Operating Reserve Markets on March 1, 2030.<sup>7</sup> MISO also states that a DERA will be able to participate in the Planning Reserve Auction (“PRA”) for the 2030-2031 Planning Year.<sup>8</sup>

ESL supports the MISO’s implementation dates. The implementation dates reflect, *inter alia*, the ongoing shared responsibility of MISO, its members and the Relevant Electric Retail Regulatory Authorities (“RERRAs”) to maintain reliability in the MISO Region despite numerous challenges.<sup>9</sup> These challenges include: (i) significant

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<sup>5</sup> MISO Filing, Transmittal Letter at 1.

<sup>6</sup> *Id.*

<sup>7</sup> MISO Filing, Doying Testimony at 12, lns 9-10.

<sup>8</sup> *Id.* at 12, lns 10-12.

<sup>9</sup> MISO refers to the shared responsibility as the “Reliability Imperative” *see* MISO Filing, Transmittal Letter at 2.

shifts in the generation in the MISO Region due to the retirement of baseload resources and an increased reliance on intermittent renewable resources; (ii) increasing frequency of incidents of extreme weather; and (iii) the need to replace legacy software systems relied on by MISO to operate the transmission system and administer its energy and operating reserves markets.<sup>10</sup> In addition, many important MISO initiatives have been ongoing for years. The reasonable and efficient implementation of Order No. 2222 requires that its implementation is sequenced with MISO's ongoing initiatives. Two of the more important, ongoing initiatives are MISO's Multiple Configuration Resource project and the software upgrade effort known as the Market Systems Enhancement project. Both are discussed below.

The Multiple Configuration Resource ("MCR") project. MISO witness Doying states that the MCR initiative has been under development for years and originally focused on the dispatch of combined cycle gas turbines ("CCGTs") and "their ability to support reliability and create efficiencies through their lower levelized cost of electricity, higher efficiency, lower CO2 emissions, better operational flexibility, and faster response."<sup>11</sup> Mr. Doying notes that over time the MCR project expanded to better model other resources and enable a more efficient use of resources.<sup>12</sup> In describing the existing situation, Mr. Doying states that "the current design can prevent the realization of the full flexibilities and benefits of these resources and result in sub-optimal or even physically infeasible dispatch instructions."<sup>13</sup>

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<sup>10</sup> MISO Filing, Transmittal Letter at 2.

<sup>11</sup> MISO Filing, Doying Testimony at 10.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

MISO performed a benefit analysis and study in 2017 on the MCR project that estimated the benefits of the project as between \$14 to \$34 million in annual production savings.<sup>14</sup> MISO believes the projected benefits of the MCR project have grown significantly since 2017. Mr. Doying explains that:

[t]he key variables that impact the value provided by MCRs include the amount of CCGT generation installed, natural gas prices, and net load variability, with an increase in any of these variables leading to an increase in the potential value of MCR. Since the original cost-benefit analysis conducted in 2017 installed CCGT capacity has grown by 30%, natural gas prices have increased 67%, and net-load variability has steadily increased due to a 72% increase in wind capacity, and integration of 1.7 GW in solar capacity. Additionally, in the next five years, an additional six GW of CCGT capacity is expected to come online. . . .<sup>15</sup>

ESL supports the MCR project and its sequenced implementation prior to implementing Order No. 2222. The estimated MCR timeline includes upgrades for market systems, settlements, and registration and is scheduled to occur between 2025 to 2027.<sup>16</sup> The ongoing MCR project provides more immediate benefits to MISO and MISO stakeholders than implementation of Order No. 2222 and it supports maintaining and enhancing reliability in the MISO Region. While Order No. 2222 implementation also is intended to benefit MISO and MISO stakeholders and support maintaining reliability, its implementation requires (among other things) new systems and coordination procedures between MISO, electric distribution companies (“EDCs”), RERRAs, and DERAs that do not exist today and will take time to establish. It is reasonable to complete the MCR initiative prior to implementation of Order No. 2222.

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.* at 11.

<sup>16</sup> *See* MISO Filing, Ramey Testimony at 6.

The Market Systems Enhancement (“MSE”) project. As alluded to above, an equally important set of reasons supporting MISO’s proposed dates for implementing Order No. 2222 is the MSE project. MISO witness Ramey describes several key upgrades in MISO’s existing systems that are prerequisites for implementation of Order No. 2222. Mr. Ramey indicates that:

the introduction of Distributed Energy Aggregated Resources (“DEARs”) requires MISO’s systems to accommodate resources that can shift their composition on a frequent basis; whereas MISO’s legacy systems were designed for resources that are static in their composition. *As such, MISO’s legacy market systems, and supporting registration systems, cannot accommodate the flexibility required by Order No. 2222.*<sup>17</sup>

Mr. Ramey explains that Order No. 2222 requires flexibility to accommodate current and future technologies and that “MISO’s legacy market systems are not sufficient to accommodate larger volumes of current distributed energy resource technologies due to their age, inflexibility, and performance limitations.”<sup>18</sup> Mr. Ramey also notes that the coordination procedures mandated by Order No. 2222 require new communications systems to a broader group of participants, including updates to MISO’s registration, enrollment, and settlement systems.<sup>19</sup> Regarding MISO settlements specifically, Mr. Ramey states that:

[s]ettlements is heavily impacted by the communication needs required to comply with Order No. 2222, as the processes to determine performance of the DEARs will create new communications needs with DERAs, Relevant Electric Retail Regulatory Authorities (“RERRA”), and Load Serving Entities (“LSE”) to ensure meter data is correctly used when appropriate and to perform a final check to ensure DEAR are not compensated twice for the same service. These communication needs require enabling improvements, with a focus on enhancing the existing

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<sup>17</sup> MISO Filing, Ramey Testimony at 2 (emphasis added).

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 3

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